

Chapter 75, P.L. 2003

Approved May 8, 2003

SENATE, No. 884

STATE OF NEW JERSEY

210th LEGISLATURE

INTRODUCED FEBRUARY 11, 2002

Sponsored by:

Senator JOSEPH A. PALAIA

District 11 (Monmouth)

SYNOPSIS

Eliminates reduction of the death benefit for participants age 70 or more in the alternate benefit program.

CURRENT VERSION OF TEXT

As introduced.

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AN ACT concerning death benefits in the alternate benefit program and amending P.L.1969, c.242.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 10 of P.L.1969, c.242 (C.18A:66-176) is amended to read as follows:

10. As of July 1, 1969 the group contract providing life insurance and disability benefits for all participants in the alternate benefit program of each public institution of higher education in the State shall be on a non-contributory basis and shall be in lieu of any non-contributory and contributory benefits provided pursuant to sections 18A:64C-11.1 to 18A:64C-11.9 (inclusive) and article 16 of chapter 65 of Title 18A of the New Jersey Statutes, chapters 278 and 281 of the laws of 1967, and chapter 181 of the laws of 1968. In accordance with the provisions of this act such group contract or contracts providing life insurance shall be in an amount equal to 3 1/2 times the base annual salary of the participant in the alternate benefit program; provided, however, that if death shall occur **l**after the participant shall have attained age 70 or in the event of death**l** after retirement, the amount payable shall equal 1/2 of the participant's base annual salary.

For purposes of this section a participant shall be deemed to be in service and covered by the group life insurance for a period of no more than 93 days while on official leave of absence without pay when such leave is due to any reason other than illness, except for a leave up to 1 year to fulfill a residency requirement for an advanced degree, for a period of no more than one year in the event of an official leave due to maternity and for a period of no more than 2 years if satisfactory evidence is presented to the Division of Pensions and Benefits that such

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Matter underlined thus is new matter.

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official leave of absence without pay is due to illness. A participant shall be deemed to be on an official leave of absence only if the leave is formally approved by his employer prior to the time the leave commenced and timely notice is filed by the employer with the Division of Pensions and Benefits; the lack of such timely notice shall place the responsibility for the payment of any benefits pursuant to this section directly upon the employer if the participant was otherwise eligible for such benefits.

In the event of the death of a participant in active service in the first year of participation as a result of an accident met in the actual performance of duty at some definite time and place, the death benefit payable pursuant to this section shall be computed at the annual rate of base salary.

No beneficiary of a retired member shall be entitled to receive the death benefits payable in the event of death after retirement pursuant to this section unless such member (a) had at least 10 years of credited New Jersey participation in an alternate benefit program established pursuant to this act and (b) had attained 60 years of age and was an actively employed participant in such a program in the year immediately preceding his initial receipt of a retirement annuity.

(cf: P.L.1969, c.242, s.10)

2. Section 17 of P.L.1969, c.242 (C.18A:66-183) is amended to read as follows:

17. The designation of beneficiary by a participant or retirant shall be made in writing on a form satisfactory to the Division of Pensions and Benefits and filed with the division. The participant or retirant may, from time to time and without the consent of his designee, change the beneficiary by filing a written notice of the change on a satisfactory form. The new nomination will be effective on the date the notice, in proper

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form, is received and any prior nomination shall thereupon become void.

If more than one beneficiary is nominated and in such nomination the participant or retirant has failed to specify their respective interests, the beneficiaries shall share equally. If any beneficiary predeceases the participant or retirant, the interest of such beneficiary shall terminate and shall be shared equally by such of the beneficiaries as survive the participant or retirant, unless the participant or retirant has made written request to the contrary in his beneficiary nomination.

Any amounts due for which there is no beneficiary at the death of a participant, retirant or beneficiary shall be payable to the estate of such participant, retirant or beneficiary.

Except with regard to the payment of the group life insurance death benefit upon the death of a [participant age 70 or more or of a] retirant, a participant may elect, by making written request, that the whole or any part of his group life death benefits be made payable to his beneficiary either as a life annuity or in equal installments over a period of years specified in such election, and may alter such election from time to time during his lifetime by again making such written request. In the event of a change of beneficiary, any previous arrangement by the participant or retirant under this paragraph shall be void. The election set forth in this paragraph shall not apply or be available when the beneficiary is an estate, or a corporation, partnership, association, institution, trustee, or any fiduciary.

If, at the participant's death, an amount of group life death benefit would be payable to the beneficiary in a single sum, any election with regard to such amount which was available to the participant immediately prior to his death in accordance with the preceding paragraph shall then be available to such beneficiary for the benefit of such beneficiary.

With respect to any death benefits payable on the basis of the individual retirement annuity contract or contracts, all settlement options will be made available to the participant, retirant or beneficiary as are allowed by the insurer or insurers.

The provisions of this section shall be construed separately with

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respect to each of the death benefits for which a beneficiary is designated by the participant or retirant.

(cf: P.L.1969, c.242, s.17)

3. This act shall take effect immediately.